

FLORIDA
MARYLAND
NEW YORK
PENNSYLVANIA
VIRGINIA
WASHINGTON, D. C.

LAW OFFICES
BASKIN AND SEARS, P. A.

SUITE 204 • 265 SUNRISE AVENUE
PALM BEACH, FLORIDA 33480
(305) 659-3377
TELEX: BASKIN WSH 904149

November 29, 1982

RECORDATION NO. 13443-A Filed 1425

DEC 1 1982 - 10 15 AM

INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

No.

Date **DEC 1 1982**

Fee \$ 60.00

ICC Washington, D. C.

MEMBER
INTERJURIST, LTD.
GENEVA, SWITZERLAND

RECEIVED
DEC 1 10 06 AM '82
I.C.C.
FEE OPERATION BR.

RECORDATION NO. 13857 Filed 1425
DEC 1 1982 - 10 15 AM
INTERSTATE COMMERCE COMMISSION

re: Bank of New England

Dear Gentlemen:

Please be advised that the office of the undersigned represents the lending institution referenced above. Accordingly, I have enclosed the following documents for filing and recordation by you in the sequence in which they are listed below:

1. Two (2) original executed Release of Liens, in reference to a Security Agreement filed on January 21, 1982, under recordation number 13443.
2. In accordance with provisions of Section 11303, as reflected by the cover letter facing each Security Agreement annexed hereto, please find enclosed two (2) original and/or certified copies of Security Agreement, with regard to the railroad cars described therein, used or intended for use in connection with Interstate Commerce. I would refer you to the correspondence attached to each Security Agreement, which has been executed by an officer of the Secured Party, and request that all filing data noted on the Security Agreement, following recordation, be forwarded to Mssrs. Baskin and Sears, P.A., at the address reflected on this letterhead.

Very truly yours,

BASKIN AND SEARS, P.A.

By:

M. D. Gordon
MICHAEL D. GORDON, ESQ.

encl.

Interstate Commerce Commission
Washington, D.C. 20423

12/1/82

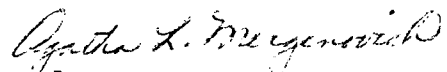
OFFICE OF THE SECRETARY

Michael D. Gordon, Esq.
Baskin & Sears, P.A.
Suite 204, 265 Sunrise Ave.
Palm Beach, Florida 33480

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/1/82 at 10:15am , and assigned re-recording number(s). **13443-A(Released) 13857**

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

SECURITY AGREEMENT DEC 1 1982 10 15 AM

INTERSTATE COMMERCE COMMISSION

ELLIOT JAY SELEY, an individual, whose chief place of business is located at 230 Park Avenue, Suite 2500, New York, New York (hereinafter called, in accordance with the terms and provisions of the Uniform Commercial Code -- "Debtor") for value received hereby grants to BANK OF NEW ENGLAND, N.A. (hereinafter called, in accordance with the terms and provisions of the Uniform Commercial Code -- "Secured Party"), whose address is 28 State Street, Boston, Massachusetts, 02106, a security interest in the equipment of Debtor, consisting of railroad rolling stock as described in Exhibit "A" hereof (said equipment hereinafter referred to as "Collateral"). The security interest hereby granted secures the payment of a note in the original principal sum of SEVEN HUNDRED FIFTY THOUSAND (\$750,000.00) DOLLARS, of even date herewith executed by Debtor and payable to Secured Party and payable as provided therein ("The Note"). Debtor represents, warrants and agrees as follows:

1. The obligations secured hereby include all costs incurred by Secured Party to obtain, perfect, preserve and enforce this Agreement, collect the note, and maintain, preserve, collect and enforce the Collateral, including without limitation taxes, assessments, insurance premiums, repairs, attorneys' fees and legal expenses, rent storage costs and expenses of sale.

2. Collateral is to be used for business other than farming operations.

3. Debtor may not retire, substitute or sell any of the Collateral covered by this Agreement without the prior written consent of Secured Party, unless he complies with the prepayment provisions of the Note with regard thereto. Any proceeds of the sale of Collateral, and any after-acquired replacement or substituted property shall be subject to this Agreement.

4. Debtor further warrants, covenants and agrees:

Title: Debtor will, at Debtor's cost and expense, defend any action which may affect Secured Party's security interest in or Debtor's title to Collateral with respect to acts or omissions of Debtor taking place after the date hereof.

Financing Statement: That no Financing Statement or document covering Collateral or any part thereof or any proceeds thereof has been filed against the Debtor in any public office and at Secured Party's request, Debtor will join in executing all necessary documents and forms satisfactory to Secured Party and will further execute all necessary instruments deemed necessary by Secured Party in filing this Agreement with the Interstate Commerce Commission.

Sale, Lease or Disposition of Collateral: Except as otherwise set forth herein, Debtor will not, without written consent of Secured Party, sell, contract to sell, lease, encumber, or dispose of Collateral or any interest therein until this Security Agreement and all debts secured hereby have been fully satisfied.

Insurance: Debtor will insure the Collateral with companies acceptable to Secured Party against such casualties and in such amounts as Secured Party shall reasonably require with a standard mortgage clause in favor of Secured Party.

Protection of Collateral: Debtor will keep the Collateral in as good order as its present condition permits and will repair and will not waste or destroy Collateral or any part thereof. Debtor will not use the Collateral in violation of any statute or ordinance and Secured Party will have the right to examine and inspect Collateral at any reasonable time.

Taxes and Costs: Debtor will pay promptly, when due, all taxes and assessments upon Collateral or for its use and operation and will pay all costs described in Paragraph "1" above.

Additional Security Interest: Debtor hereby grants the Secured Party a security interest in and to all proceeds (including policies of insurance and proceeds thereof), increases, substitutions, replacements, additions, and accessions to the Collateral, but this provisions shall not be construed to mean that Debtor is authorized to sell, lease, or dispose of Collateral without Secured Party's consent, except as herein otherwise authorized.

Change in Collateral or Place of Business: Debtor will promptly notify Secured Party, in writing, of any addition to, change in, or discontinuance of Debtor's chief place of business and of any material change in the condition of the Collateral.

Records: Debtor will maintain record of the location and movement of the Collateral and make such records available to Secured Party upon reasonable request.

Reimbursement of Expenses: At Secured Party's option, Secured Party may pay all costs required by this Agreement to be paid by Debtor, discharge taxes, liens, interest, or perform or cause to be performed for or on behalf of Debtor any actions and conditions, obligations of covenants which Debtor has failed or refused to perform and may pay for the repair, maintenance and preservation of Collateral, and all sums so expended, including but not limited to attorneys' fees, court costs, agents' fees or commissions or any other costs or expenses shall bear interest from the date of payment at the rate of fifteen percent (15%) per annum and shall be payable at the place designated in the Note and shall be secured by this Security Agreement.

Payment: Debtor will pay the Note and any renewal or extension thereof and any other indebtedness hereby secured in accordance with the terms and provisions thereof and will repay immediately all sums expended by Secured Party in accordance with the terms and provisions of this Security Agreement.

Attorney-in-Fact: Upon the occurrence of an event of default hereunder, Debtor hereby appoints Secured Party Debtor's attorney-in-fact to do any and every act which Debtor is obligated by this Security Agreement to do and to exercise all rights of Debtor to Collateral and to make collections and to execute any and all papers and instruments and to do all other things necessary to preserve and protect Collateral and to protect Secured Party's security interest in said Collateral.

Time-Waiver: Debtor agrees, in performing any act under this Security Agreement and the Note that Secured Party's acceptance of partial or delinquent payment or failure of Secured Party to exercise any right or remedy shall not be a waiver of any obligation of Debtor or right of Secured Party or constitute a waiver of any other similar default subsequently occurring.

Applicable Law: This Agreement shall be construed according to the laws of the Commonwealth of Massachusetts.

Default: Debtor shall be in default under this Security

Agreement upon the happening of any of the following events or conditions--

- a. Any event which permits in the acceleration of the maturity of the Note and any amounts which may be due thereunder.
- b. Failure of the Debtor to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period of ten (10) days after written notice specifying such failure and requiring that it be remedied, given by the Secured Party to the Debtor, unless the Secured Party shall agree in writing to an extension of such time prior to its expiration, which agreement shall not be unreasonably withheld if curative action is instituted by the Debtor promptly upon receipt of the written notice and is diligently pursued until the default is corrected.

Remedies: Upon the occurrence of any such event of default, and at any time thereafter, Secured Party may declare all obligations secured hereby immediately due and payable and may proceed to enforce payment of the same and exercise any and all of the rights and remedies provided by the Uniform Commercial Code as well as other rights and remedies possessed by Secured Party. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at any place to be designated by Secured Party which is reasonably convenient to both parties. Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirement of reasonable notice shall be met if such notice is by mail, postage prepaid, to the address of the time of the sale or disposition at least ten (10) days prior to the date of said sale or disposition. Expenses of re-taking, holding, preparing for sale, selling or the like, including Secured Party's reasonable attorneys' fees and legal expenses, shall be recoverable out of the proceeds of the Collateral or the Collateral itself.

Debtor further agrees to supply monthly utilization reports on the subject collateral to the Secured Party, as well as annual personal financial statements.

5. Debtor agrees that, until the note is paid in full, the equipment will be marked in lettering not less than one inch (1") in height that ownership of the equipment is subject to a

security interest on file with the Interstate Commerce Commission.

(Debtor and Secured Party as used in this Security Agreement include the successors or assigns of the parties.)

Dated: August 16, 1982

Secured Party:

BANK OF NEW ENGLAND, N.A.

By:

Robert H. Llewellyn
ASSISTANT Vice President

Debtor:

ELLIOT JAY SELEY,
an Individual

Elliot Jay Seley
Elliot Jay Seley

STATE OF
COUNTY OF

The foregoing instrument was acknowledged before me
this 16th day of August, 1982, by ELLIOT JAY SELEY.

Diane Casaccio
Notary Public (SEAL)
My Commission Expires: 3/30/83

DIANE CASACCIO
Notary Public, State of New York
No. 20-4745478
Qualified in Nassau County
Commission Expires March 30, 1983

EXHIBIT "A"

One hundred (11) pulpwood flatcars per design number FP-34-1, bearing serial numbers CAGY 12100 through CAGY 12149 and NT 1000 through NT 1049.